

EXHIBIT 1

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

Court File No. 0:08:CV-5302 PJS/AJB

Katie M. Baker,

Plaintiff,

**RULE 68 OFFER OF JUDGMENT
OF DEFENDANTS**

v.

Debt Equities, LLC, Thomas LaBeaux,
and Richard Gault,

Defendants.

Pursuant to Rule 68 of the Federal Rules of Civil Procedure, Defendants Debt Equities, LLC ("Debt Equities"), Thomas LaBeaux, and Richard Gault (collectively "Defendants") by and through their undersigned attorneys, hereby submit this Offer of Judgment ("Offer"), which offers to allow judgment to be taken against them and in favor of Plaintiff Katie M. Baker ("Plaintiff"), as follows:

1. Judgment shall be entered against Defendants in the amount of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) arising from Plaintiff's claims against Defendants as alleged in Plaintiff's Complaint in the herein matter.
2. The judgment entered shall include an additional amount for Plaintiff's reasonable attorney fees and costs incurred by Plaintiff in connection with the claims alleged in the Complaint in this matter. Said amount for attorney fees and costs shall be agreed by counsel for the parties, or determined by the Court upon application by Plaintiff's counsel, subject to objection and response by Defendants' counsel, if counsel are unable to reach an agreement. Plaintiff's reasonable attorney fees and costs shall be limited to time and amounts expended on

Plaintiff's claims in this matter through the date of Plaintiff's counsel's receipt of service of this Offer.

3. The judgment entered in accordance with this Offer is to be in total settlement of any and all claims by Plaintiff and/or potential claims that could have been brought by Plaintiff in this matter.

4. Notwithstanding the foregoing Offer, Defendants deny any wrongdoing or violation of state or federal laws, but admit liability for the sole purposes of settlement and resolution of Plaintiff's claims sought in the above-captioned matter as described more fully herein. If Defendants' Offer is accepted, Plaintiff agrees to dismiss and release all claims she has or could have brought in this action, which arise from the transaction and form the basis of Plaintiff's claims, including the facts alleged by Plaintiff in this matter and including any claims for costs, attorney fees, statutory penalties, damages and interest.

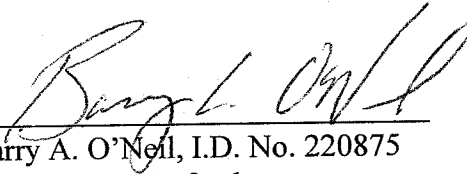
5. If Plaintiff rejects this Offer, pursuant to Rule 68, Defendants may seek to recover any additional costs and disbursements incurred in the defense of Plaintiff's claims, then accrued at the conclusion of this case, if applicable. Also, Plaintiff must pay Plaintiff's own costs and

attorney fees incurred after making this Offer, as well as the costs of Defendants. See O'Brien v.

City of Greers Ferry, 873 F.2d 1115, 1120 (8th Cir. 1989).

Dated: _____ LOMMEN, ABDO, COLE, KING & STAGEBERG, P.A.

BY



Barry A. O'Neil, I.D. No. 220875

Attorneys for Defendants

2000 IDS Center

80 South 8th Street

Minneapolis, MN 55402

(612) 339-8131

FAX: (612) 339-8064

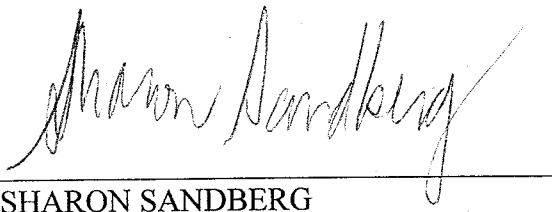
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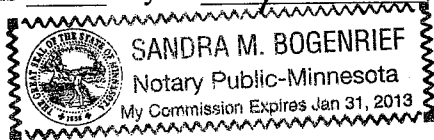
STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

SHARON SANDBERG, of the City of Minneapolis, County of Hennepin, State of Minnesota, being duly sworn, says that on the **14th day of April, 2009**, she served the annexed **Rule 68 Offer of Judgment of Defendants** on the following parties in this action, by depositing a copy thereof in the U.S. Mail, postage prepaid, in an envelope addressed to the respective attorneys of record herein at their respective addresses as shown below:

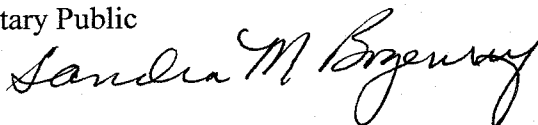
Peter F. Barry, Esq.
Barry & Slade, LLC
2021 East Hennepin Avenue
Suite 195
Minneapolis, MN 55413


SHARON SANDBERG

Subscribed and sworn to before me
this 14 day of April, 2009



Notary Public





LOMMEN ABDO

LOMMEN ♦ ABDO ♦ COLE ♦ KING ♦ STAGEBERG ♦ P.A.

Barry A. O'Neil
Certified Civil Trial Specialist
barry@lommen.com
612.336.9342
Minnesota Office

April 14, 2009

Peter F. Barry, Esq.
Barry & Slade, LLC
2021 East Hennepin Avenue
Suite 195
Minneapolis, MN 55413

RE: Katie Baker v. Debt Equities, LLC, et al
Our File No. 35182

Dear Mr. Barry:

Enclosed and served upon you by U.S. mail is the Rule 68 Offer of Judgment of Defendants in this matter.

Very truly yours,

Barry A. O'Neil

BAO:SLS:sls

Enclosure

cc: Thomas LaBeaux
Richard Gault